

Program C: Contract Litigation

Program Authorization: R.S. 39:1527-1544

PROGRAM DESCRIPTION

The mission of the Contract Litigation Program in the Office of Risk Management is to fund for payment of contracts issued for the professional legal defense of claims made against the state, including attorneys, expert witness, etc.

The goal of the Contract Litigation Program in the Office of Risk Management is to sufficiently fund payment of contractual liabilities for costs associated with defense of claims against the state.

Contract Litigation provides funding for payment of contractual liabilities for costs associated with defense of claims against the state. The Litigation Division of the Department of Justice handles approximately 80% of all Office of Risk Management Claims. Cases are assigned to contract attorneys due to need for specialized expertise, geographical location of claim or caseload of Litigation/Department of Justice attorneys.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To complete 100% of a project to implement the claims management system's legal tracking capabilities for attorneys associated with defense of claims against the state.

Strategic Link: This operational objective is related to the Division of Administration's Strategic Goal 8: *The Office of Risk Management will provide a comprehensive loss prevention program that will minimize losses and protect the assets of the state.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L		PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 2 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
	PERFORMANCE INDICATOR NAME						
K	Percentage of implementation completed	Not applicable ¹	0% ¹	Not applicable ¹	0% ¹	100%	100%

¹ This is a new performance indicator in FY 2001-2002. It did not appear under Act 60 or Act 2 and does not have a FY 1999-2000 or FY 2000-2001 performance standard. The values shown for the existing performance standard is an estimate not a standard. Commencement and completion of the implementation of this program will occur in FY 2001-2002.

Reference:

Department of Justice, Risk Litigation Division determines which cases it will handle and which cases should be assigned to outside attorneys. The Office of Risk Management has minimal control over the percentage of cases handled by outside attorneys. Please refer to 04-141 Office of the Attorney General, Program B: Risk Litigation, GPI -Trend 1 and GPI -Trend 2 to view the 10 year history of all cases in litigation, number of cases assigned to outside attorneys and percentage of cases assigned to outside and in-house attorneys.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	13,524,644	10,000,000	10,000,000	10,000,000	10,000,000	0
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u><u>\$13,524,644</u></u>	<u><u>\$10,000,000</u></u>	<u><u>\$10,000,000</u></u>	<u><u>\$10,000,000</u></u>	<u><u>\$10,000,000</u></u>	<u><u>\$0</u></u>
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	13,524,644	10,000,000	10,000,000	10,000,000	10,000,000	0
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	<u><u>\$13,524,644</u></u>	<u><u>\$10,000,000</u></u>	<u><u>\$10,000,000</u></u>	<u><u>\$10,000,000</u></u>	<u><u>\$10,000,000</u></u>	<u><u>\$0</u></u>
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

SOURCE OF FUNDING

The Contract Litigation program is funded with Fees and Self-generated Revenues. Fees and Self-generated Revenues are derived from premiums billed for insurance provided by this Office and from interest earnings from the self-insurance fund. State and quasi-state entities obtain insurance through the Office of Risk Management.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$10,000,000	0	ACT 60 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$10,000,000	0	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$0	0	None
\$0	\$10,000,000	0	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$10,000,000	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$10,000,000	0	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 100% of the existing operating budget. It represents 90.9% of the total request (\$11,000,000) for this program

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PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2000-2001.

OTHER CHARGES

\$10,000,000	Legal Services - Fees for attorneys as appointed by the Division of Risk Litigation, Department of Justice with concurrence by the Office of Risk Management for defense costs relating to tort actions against the state
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\$10,000,000	SUB-TOTAL OTHER CHARGES
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Interagency Transfers:

This program does not have funding for Interagency Transfers for Fiscal Year 2001-2002.

\$10,000,000	TOTAL OTHER CHARGES
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ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for the Fiscal Year 2001-2002.